

**LOUISIANA DELTA COMMUNITY  
COLLEGE FOUNDATION**

**Financial Statements  
As of and for the Years Ended  
December 31, 2012 and 2011**

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**

**Financial Statements  
As of and For the Years Ended December 31, 2012 and 2011**

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# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

**Board of Directors**  
**Louisiana Delta Community College Foundation**  
**Monroe, Louisiana**

We have audited the accompanying financial statements of the **Louisiana Delta Community College Foundation (the Foundation)** which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15 and 16 and the schedules of temporarily restricted funds on page 17 and 18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Huffman, Hoffman, Rogelberg, & Sigmund*

(A Professional Accounting Corporation)  
August 30, 2013

## Financial Statements

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION**

	December 31, 2012		
	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>			
Cash	\$ 192,885	\$ 199,048	\$ 391,933
Investment	8,270	54,131	62,401
Pledges receivable	-	-	-
Allowance for doubtful accounts	-	-	-
Prepaid insurance	615	-	615
<b>TOTAL ASSETS</b>	<b>\$ 201,770</b>	<b>\$ 253,179</b>	<b>\$ 454,949</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Funds held as agent	100,049	-	100,049
Total Liabilities	100,049	-	100,049
<b>Net Assets</b>			
Unrestricted	101,721	-	101,721
Temporarily restricted	-	253,179	253,179
Total Net Assets	101,721	253,179	354,900
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 201,770</b>	<b>\$ 253,179</b>	<b>\$ 454,949</b>

The accompanying notes are an integral part of these statements.

**December 31, 2011**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 182,525	\$ 157,424	\$ 339,949
6,325	53,823	60,148
15,037	5,505	20,542
(968)	(799)	(1,767)
614	-	614
<u>\$ 203,533</u>	<u>\$ 215,953</u>	<u>\$ 419,486</u>

\$ 1,586	\$ -	\$ 1,586
<u>100,000</u>	<u>-</u>	<u>100,000</u>
101,586	-	101,586
101,947	-	101,947
-	215,953	215,953
<u>101,947</u>	<u>215,953</u>	<u>317,900</u>
<u>\$ 203,533</u>	<u>\$ 215,953</u>	<u>\$ 419,486</u>

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED**

	December 31, 2012		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenues</b>			
Cash contributions	\$ 35,952	\$ 73,094	\$ 109,046
Noncash contributions	67,106	-	67,106
Net revenue from special event			
Special event revenue	12,228	-	12,228
Costs of direct benefits to donors	(4,543)	-	(4,543)
Interest income	378	2,015	2,393
	<u>111,121</u>	<u>75,109</u>	<u>186,230</u>
Net assets released from restrictions and transfers			
Restrictions satisfied by payments	37,883	(37,883)	-
Transfer to funds held as agent	-	-	-
	<u>37,883</u>	<u>(37,883)</u>	<u>-</u>
 Total Support and Revenue	 <u>149,004</u>	 <u>37,226</u>	 <u>186,230</u>
<b>Expenses</b>			
Program services			
Scholarships	41,386	-	41,386
Institutional support	17,402	-	17,402
Chancellor's fund	6,367	-	6,367
Total Program Services	<u>65,155</u>	<u>-</u>	<u>65,155</u>
Supporting services			
Management and general	41,079	-	41,079
Fundraising	42,996	-	42,996
Total Support services	<u>84,075</u>	<u>-</u>	<u>84,075</u>
 Total Expenses	 <u>149,230</u>	 <u>-</u>	 <u>149,230</u>
 Increase (decrease) in Net Assets	 <u>(226)</u>	 <u>37,226</u>	 <u>37,000</u>
 Net Assets at Beginning of Period	 <u>101,947</u>	 <u>215,953</u>	 <u>317,900</u>
 <b>NET ASSETS AT END OF PERIOD</b>	 <u>\$ 101,721</u>	 <u>\$ 253,179</u>	 <u>\$ 354,900</u>

The accompanying notes are an integral part of these statements.

**December 31, 2011**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 58,105	\$ 83,248	\$ 141,353
71,005	-	71,005
3,600	-	3,600
(3,060)	-	(3,060)
261	2,085	2,346
<u>129,911</u>	<u>85,333</u>	<u>215,244</u>
34,511	(34,511)	-
-	(60,000)	(60,000)
<u>34,511</u>	<u>(94,511)</u>	<u>(60,000)</u>
<u>164,422</u>	<u>(9,178)</u>	<u>155,244</u>
33,431	-	33,431
32,982	-	32,982
3,455	-	3,455
<u>69,868</u>	<u>-</u>	<u>69,868</u>
41,331	-	41,331
43,978	-	43,978
<u>85,309</u>	<u>-</u>	<u>85,309</u>
<u>155,177</u>	<u>-</u>	<u>155,177</u>
<u>9,245</u>	<u>(9,178)</u>	<u>67</u>
<u>92,702</u>	<u>225,131</u>	<u>317,833</u>
<u>\$ 101,947</u>	<u>\$ 215,953</u>	<u>\$ 317,900</u>

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED**

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 37,000	\$ 67
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Changes in assets and liabilities		
Pledges receivable	20,541	(10,256)
Allowance for bad debt	(1,767)	968
Accounts payable	(1,586)	1,586
Net cash provided (used) by operating activities	<u>54,188</u>	<u>(8,562)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received on investment	(2,204)	(2,170)
Net cash provided (used) by investing activities	<u>(2,204)</u>	<u>97,830</u>
<b>Increase in Cash</b>	51,984	89,268
<b>Cash at Beginning of Period</b>	<u>339,949</u>	<u>250,681</u>
<b>Cash at End of Period</b>	<u>\$ 391,933</u>	<u>\$ 339,949</u>

The accompanying notes are an integral part of these statements.

# LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended December 31, 2012 and 2011

### Note 1 - Organization

The Louisiana Delta Community College Foundation (the Foundation) is an autonomous fund-raising foundation that raises funds for the benefit of Louisiana Delta Community College (the College). Its purpose is to promote the educational and cultural welfare of the College. Its purpose, also, is to develop, expand and improve the College's facilities in order to provide broader educational advantages and opportunities, encourage educational advancement, and increase the College's usefulness to the citizens of Louisiana. Support is received through gifts, grants, or bequests. Program services include scholarships and departmental support.

Senate Bill 645 authorized the merger of certain Northeast Louisiana Technical College (NELTC) campuses with Louisiana Delta Community College effective July 1, 2012. The merger increased the student population affected by the Foundation.

### Note 2 – Summary of Significant Accounting Policies

#### A. *Basis of Presentation*

The financial statements have been prepared on the accrual basis of accounting and in conformity with Financial Accounting Standards Board (FASB) ASC Section 958.

#### B. *Financial Statement Classification*

The net assets of the Foundation are reported as follows:

1. Unrestricted – includes all resources to be used in support of the Foundation's operations at the sole discretion of the Foundation.
2. Temporarily Restricted – includes amounts that have been donated subject to donor-imposed restrictions and those promises to give for which there are time restrictions.

The Foundation has no permanently restricted net assets.

The Foundations' policy is to spend restricted funds first and then use unrestricted funds when the request coming through could be paid from either restricted or unrestricted funds. The Foundation records "temporarily restricted funds" as "unrestricted" in the annual financial statements when the restriction is satisfied in the same year that the donation is received.

# LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended December 31, 2012 and 2011

### *C. Cash and Cash Equivalents*

For purposes of the Statement of Cash Flows, the Foundation considers demand deposits, time deposits, and certificates of deposits of an original maturity of three months or less to be cash equivalents.

### *D. Pledges Receivable*

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts by charging contribution support and making an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

### *E. Funds Held as Agent*

The Foundation considers all donations, matching state funds, and unexpended income from these funds to be reported as Funds Held as Agent. All Funds Held as Agent are recorded at fair market value.

### *F. Contributions*

In accordance with ASC Section 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

### *G. Functional Expenses*

Expenses that can be identified with a specific program or support service are allocated directly to that function according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

### *H. Tax Exempt Status*

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. Contributions to the Foundation are tax deductible with limitations prescribed by the Code.

# LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended December 31, 2012 and 2011

### *I. Required Transfers*

The Foundation received a matching grant from the State of Louisiana under the Eminent Scholars Endowed Chairs and Endowed Professorships programs, which are only approved after certain levels of private funding have been raised. The Foundation must comply with certain policies, procedures, and regulation regarding the administration of these programs. When matching funds are received from the state, the private funding is transferred from temporarily restricted to Funds Held as Agent (see Note 5).

### *J. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Note 3 - Cash and Investment**

At December 31, 2012, the Foundation had \$398,540 in cash and investments at one financial institution, of which \$210,941 was not insured. The Foundation's investment is a five year certificate of deposit which matures on July 14, 2013. Interest is compounded monthly at 3.68%.

### **Note 4 – Pledges Receivable**

The Foundation's pledges receivable account balance outstanding at December 31, 2011, was comprised of amounts due from Northeast Louisiana Technical College Foundation. Traditionally, pledges receivable includes corporate contributions and funds raised from the College's Employee Campaign. However, there were no Corporate contributions not yet collected at year-end and the Foundation did not hold an Employee Campaign during the year ended December 31, 2012.

### **Note 5 – Funds Held As Agent**

The Foundation participates in a program with the State of Louisiana (the Eminent Scholars/Endowed Professorships Program sponsored by the Louisiana Board of Regents) whereby the state contributes matching funds which, together with donations received by the Foundation, establishes endowment funds, which are accumulated in accounts segregated from other Foundation funds. The state match constitutes 40% of the total endowment. The earnings on these funds are to be used for professorships. The Foundation considers donations received from donors into this fund as temporarily restricted funds until the state match is made, upon which time the

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2012 and 2011**

donations and all state matching funds are recorded as funds held as agent. The liability account "Funds Held as Agent" represents the fair value. Funds held as agent included:

Kitty DeGree Workforce Development Endowed Professorship		
December 31, 2011, balance		\$100,000
Interest earnings		<u>49</u>
December 31, 2012, balance		<u>\$100,049</u>

**Note 6 - Temporarily Restricted Net Assets**

Temporarily restricted net assets were comprised of the following:

	<u>December 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
<b>Nursing</b>		
Kitty DeGree Scholarship	\$ 54,131	\$ 53,823
Kitty DeGree Endowed Professorship	60,000	60,000
General Nursing Scholarship	8,800	1,500
Nursing Lab	20,444	-
St. Francis Auxillary	500	-
<b>General</b>		
Staci R Aucoin Memorial Scholarship	13,105	13,105
Entergy	5,260	6,591
Anthony Gatling Scholarship	600	600
Glenn B Roscoe Scholarship	3,850	5,316
Maintenance Equipment	10,000	-
New Student	2,310	2,310
<b>Process Technology</b>		
Angus Chemical	47,633	38,312
Century Link	204	1,669
Eastman	4,886	4,804
JP Morgan P/T Scholarship	9,204	9,204
JP Morgan P/T Professor	2,000	2,000
Ouachita Economic Development Corporation	1,778	1,778
Euroboard	219	219
<b>Business</b>		
Carol B Coltharp Memorial Business Scholarship	174	174
<b>Chancellor's Excellence Fund</b>	4,913	11,380
<b>Other Institutional Support</b>	3,168	3,168
<b>Total</b>	<u>\$ 253,179</u>	<u>\$ 215,953</u>

# LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended December 31, 2012 and 2011

Of the \$2,442 of interest earned on the checking account and the certificate of deposit, \$2,015 was allocated to the Kitty DeGree Scholarship and \$49 was allocated to the Kitty DeGree Workforce Development Endowed Professorship. The remaining \$378 was not allocated between restricted and unrestricted funds due to it not being cost effective to do so.

### **Note 7 – Concentration of Contributors**

The Foundation received 44% of its cash contributions for the year ended December 31, 2012, from two contributors.

### **Note 8 – Related Party**

The mission of the Foundation is to help support the College, thus making it a related party. Beginning January 1, 2011, the College began maintaining the accounting records for the Foundation. For the years ended December 31, 2012 and 2011, the Foundation recorded in-kind contributions from the College of \$62,768 and \$62,768, respectively, for professional services including accounting, management and general and fundraising.

### **Note 9 – Subsequent Events**

Subsequent events have been evaluated through August 30, 2013, the date the financial statements were available to be issued, and it has been determined that one significant event has occurred for disclosure.

The Northeast Louisiana Technical College Foundation has approved a merger with the Louisiana Delta Community College Foundation. This will result in an increase in the Foundation's assets by approximately \$6,400.

Other Supplementary Data

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Program Services					Supporting Services			Total Expenses
	Total				Total	Supporting Services		Total	
	Institutional Support	Chancellor's Fund	Program Services	Management and General		Fundraising	Supporting Services		
Bank Charges	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000
Insurance	-	-	-	1,971	-	-	1,971	1,971	1,971
Professional Services	-	-	-	15,259	41,093	-	56,352	56,352	56,352
Marketing & Advertising	-	-	-	1,373	1,903	-	3,276	3,276	3,276
Meetings and Meals	-	13,357	-	666	-	-	666	666	14,023
Office Expense	-	-	809	20,810	-	-	20,810	20,810	21,619
Staff Development	-	676	779	-	-	-	-	-	1,455
Travel	-	869	4,489	-	-	-	-	-	5,358
Donations & Gifts	-	2,500	290	-	-	-	-	-	2,790
Scholarships	-	-	-	-	-	-	-	-	41,386
	41,386	-	-	41,386	-	-	41,386	-	41,386
<b>Total Functional Expenses</b>	<b>\$ 41,386</b>	<b>\$ 17,402</b>	<b>\$ 6,367</b>	<b>\$ 41,079</b>	<b>\$ 42,996</b>	<b>\$ 84,075</b>	<b>\$ 149,230</b>		

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Program Services				Supporting Services				Total Expenses
	Scholarships	Institutional Support	Chancellor's Fund	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ 322	\$ -	\$ -	\$ 322	\$ 322
Insurance	-	-	-	-	2,012	-	-	2,012	2,012
Professional Services	-	-	-	-	17,420	40,945	-	58,365	58,365
Marketing & Advertising	-	981	-	981	720	2,284	-	3,004	3,985
Meetings and Meals	-	1,217	608	1,825	5,718	749	-	6,467	8,292
Office Expense	-	2,186	-	2,186	15,139	-	-	15,139	17,325
Staff Development	-	1,039	2,597	3,636	-	-	-	-	3,636
Travel	-	15,746	-	15,746	-	-	-	-	15,746
Donations & Gifts	-	11,813	250	12,063	-	-	-	-	12,063
Scholarships	33,431	-	-	33,431	-	-	-	-	33,431
<b>Total Functional Expenses</b>	<b>\$ 33,431</b>	<b>\$ 32,982</b>	<b>\$ 3,455</b>	<b>\$ 69,868</b>	<b>\$ 41,331</b>	<b>\$ 43,978</b>	<b>\$ -</b>	<b>\$ 85,309</b>	<b>\$ 155,177</b>

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
SCHEDULE OF TEMPORARILY RESTRICTED FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Ending Balance 12/31/11	Support and Revenue Contributions	Interest	Expenses	Ending Balance (Cash Basis) 12/31/12	Pledges Receivables (net) 12/31/12	Ending Balance (Accrual Basis) 12/31/12
Angus Chemical	\$ 38,312	\$ 20,000	\$ -	\$ (10,679)	\$ 47,633	\$ -	\$ 47,633
Anthony Gatling Scholarship	600	-	-	-	600	-	600
Carol B. Coltharp Memorial Business Scholarship	174	-	-	-	174	-	174
Century Link Scholarship	1,669	-	-	(1,465)	204	-	204
Chancellor's Excellence Fund	11,380	50	-	(6,517)	4,913	-	4,913
Eastman	4,804	2,500	-	(2,418)	4,886	-	4,886
Entergy	6,591	-	-	(1,331)	5,260	-	5,260
Euroboard	219	-	-	-	219	-	219
General Scholarships	-	12,300	-	(12,300)	-	-	-
Glenn B. Roscoe Scholarship	5,316	-	-	(1,466)	3,850	-	3,850
JP Morgan P/T Professor	2,000	-	-	-	2,000	-	2,000
JP Morgan P/T Scholarship	9,204	-	-	-	9,204	-	9,204
Kitty DeGree Endowed Professorship	60,000	-	-	-	60,000	-	60,000
Kitty DeGree Scholarship	53,823	-	2,015	(1,707)	54,131	-	54,131
Maintenance Equipment	-	10,000	-	-	10,000	-	10,000
New Student	2,310	-	-	-	2,310	-	2,310
Nursing Lab	-	20,444	-	-	20,444	-	20,444
Nursing Scholarship	1,500	7,300	-	-	8,800	-	8,800
Other Institutional Support	3,168	-	-	-	3,168	-	3,168
Ouachita Economic Development Corporation	1,778	-	-	-	1,778	-	1,778
St. Francis Auxillary	-	500	-	-	500	-	500
Staci R. Aucoin Memorial Scholarship	13,105	-	-	-	13,105	-	13,105
<b>TOTAL</b>	<b>\$ 215,953</b>	<b>\$ 73,094</b>	<b>\$ 2,015</b>	<b>\$ (37,883)</b>	<b>\$ 253,179</b>	<b>\$ -</b>	<b>\$ 253,179</b>

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
SCHEDULE OF TEMPORARILY RESTRICTED FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Ending Balance 12/31/10	Support and Revenue Contributions	Interest	Expenses	Ending Balance (Cash Basis) 12/31/11	Pledges Receivables (net) 12/31/11	Ending Balance (Accrual Basis) 12/31/11
Angus Chemical	\$ 1,403	\$ 40,000	\$ -	\$ (3,091)	\$ 38,312	\$ -	\$ 38,312
Anthony Gatling Scholarship	600	-	-	-	600	-	600
Carol B. Coltharp Memorial Business Scholarship	174	-	-	-	174	-	174
Century Link Scholarship	-	3,000	-	(1,331)	1,669	-	1,669
Chancellor's Excellence Fund	3,878	10,867	-	(3,505)	11,240	140	11,380
Eastman	-	10,500	-	(5,696)	4,804	-	4,804
Entergy	7,922	-	-	(1,331)	6,591	-	6,591
Euroboard	219	-	-	-	219	-	219
General Scholarships	1,725	7,460	-	(13,751)	(4,566)	4,566	-
Glenn B. Roscoe Scholarship	5,316	-	-	-	5,316	-	5,316
JP Morgan P/T Professor	2,000	-	-	-	2,000	-	2,000
JP Morgan P/T Scholarship	9,204	-	-	-	9,204	-	9,204
Kitty DeGree Endowed Professorship	60,000	-	-	-	60,000	-	60,000
Kitty DeGree Scholarship	55,497	-	2,085	(3,759)	53,823	-	53,823
Kitty DeGree Workforce Development	60,000	-	-	(60,000)	-	-	-
New Student	2,310	-	-	-	2,310	-	2,310
Nursing Scholarship	-	1,500	-	-	1,500	-	1,500
Other Institutional Support	-	5,215	-	(2,047)	3,168	-	3,168
Ouachita Economic Development Corporation	1,778	-	-	-	1,778	-	1,778
Staci R. Aucoin Memorial Scholarship	13,105	-	-	-	13,105	-	13,105
<b>TOTAL</b>	<b>\$ 225,131</b>	<b>\$ 78,542</b>	<b>\$ 2,085</b>	<b>\$ (94,511)</b>	<b>\$ 211,247</b>	<b>\$ 4,706</b>	<b>\$ 215,953</b>

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Phillip A. Ragsdale, CPA  
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John Herman, CPA  
Lynn Andries, CPA, CGMA  
Esther Atteberry, CPA  
Lori Woodard, MBA, CPA, CGMA, CITP

## MANAGEMENT LETTER

### **Board of Directors Louisiana Delta Community College Foundation Monroe, Louisiana**

In planning and performing our audit of the financial statements of **Louisiana Delta Community College Foundation** (the Foundation) as of and for the years ended December 31, 2012 and 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the Foundation's internal control to be a material weakness:

### **Recordkeeping**

#### ***Material Weakness:***

The Foundation does not have any employees, per se, and does not maintain a payroll. Louisiana Delta Community College's personnel perform all Foundation duties and, in turn, the time spent on the Foundation by the College personnel is considered an in-kind contribution by the College to the Foundation. The Executive Director of the Foundation is also the Director of Institutional Advancement for the College. The Executive Director performs all functions of the Foundation with the exception of the actual bookkeeping. The bookkeeping for the Foundation is maintained by an individual in the College Accounting

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Department whose workload for the College has greatly increased due to the College's merger with the Technical Colleges.

As stated above the Executive Director performs all of the Foundation functions (except bookkeeping) to include fundraising, collection of monies and account assignments. There is not a receipt process in place to account for monies coming in and there are not any checks and balances to ensure that monies are appropriately classified, deposited, and recorded. With the heavy workload the College requires of its accounting department, less time than was needed was spent on the bookkeeping activities of the foundation. As a result, errors occurred including misclassifications of revenues (\$23,478), prior year entries not recorded (net effect of \$90,733), and prior year expenses being recorded in the current year (\$1,586). Deposits are not made in a timely manner and the bookkeeper is often unaware of monies being received or payments being made until the bank statement is reconciled to the general ledger. Further, none of the three non-cash donations totaling in excess of \$67,000 had been recorded. Due to the lack of Foundation personnel, a good segregation of duties necessary for internal control is not possible.

***Recommendations:***

All records pertaining to the Foundation should be recorded in a timely manner, properly documented, and appropriately classified including the deposit of funds immediately upon receipt. All non-cash donations should be recorded when made. If the Foundation is not in a position to have sufficient personnel to ensure an adequate segregation of duties then the board needs to consider this in their risk assessment.

*Stacy Huffman, CPA, CFE, CFSA*

(A Professional Accounting Corporation)

**August 30, 2013**